

23-112-607. Dealer license.

(a)(1) Persons wishing to obtain a used motor vehicle dealer's license shall submit a fully executed application on such used motor vehicle dealer application forms as may be prescribed by the Department of Arkansas State Police.

(2) The application shall be verified by the oath or affirmation of the applicant.

(b) The department shall require in relation to the application the following information and verification prior to issuing a license certificate:

(1) A photograph of the business location;

(2) A corporate surety bond in the sum of at least twenty-five thousand dollars (\$25,000);

(3) Proof of liability insurance coverage on all vehicles to be offered for sale in an amount equal to or greater than the amount required by the Motor Vehicle Safety Responsibility Act, § 27-19-101 et seq.;

(4) A list of the persons or entities having any ownership interest in the used vehicle dealership;

(5) A list of salesmen to be employed;

(6) That the applicant has a bona fide established place of business used primarily for the sale of used motor vehicles;

(7) That the applicant has a telephone number listed in the name of the business;

(8) That the applicant has a sign identifying the establishment as a used motor vehicle dealership legible from the street, road, or highway, and a picture thereof;

(9) That the applicant has a filing cabinet or other repository adequate to secure the business records of the establishment under lock and key or combination;

(10) Whether the applicant has ever been issued a motor vehicle dealer's license, and if the applicant has ever had a motor vehicle dealer's license suspended or revoked;

(11) An affidavit from a Department of Arkansas State Police officer stating that the officer has inspected the facility and found it to be in compliance with the requirements for application; and

(12) The name, address, and telephone number of the person designated to receive legal process in the event of the commencement of any legal action in any court against the applicant.

(c)(1)(A) Each applicant shall obtain a corporate surety bond in the penal sum of twenty-five thousand dollars (\$25,000) on a bond form approved by the state.

(B) Provided, an applicant for a license at multiple locations may provide a corporate surety bond in the penal sum of one hundred thousand dollars (\$100,000) covering all licensed locations in lieu of separate bonds for each individual location.

(2) The bond shall be an indemnity for any loss and reasonable attorney's fees sustained by a retail buyer by reason of the acts of the person bonded when such act constitutes a violation of this law.

(3) Provided, the surety shall in no event be liable for more than twenty-five thousand dollars (\$25,000).

(4) The bond shall be executed in the name of the State of Arkansas or any aggrieved party.

(5) The proceeds of the bonds shall be paid either to the State of Arkansas or to the retail buyer upon a judgment from an Arkansas court of competent jurisdiction against the principal and in favor of the aggrieved party or the State of Arkansas.

(6) Provided, the surety shall in no event be required to pay any judgment obtained by fraud or collusion, as between the dealer and the retail buyer, or which was rendered against a person bonded for an act that does not constitute a violation of this subchapter, which defenses may be raised at any time, subject to the applicable statute of limitations.

History. Acts 1993, No. 490, §§ 4, 6; 1997, No. 705, § 1; 1999, No. 1040, § 1; 2001, No. 93, § 1.